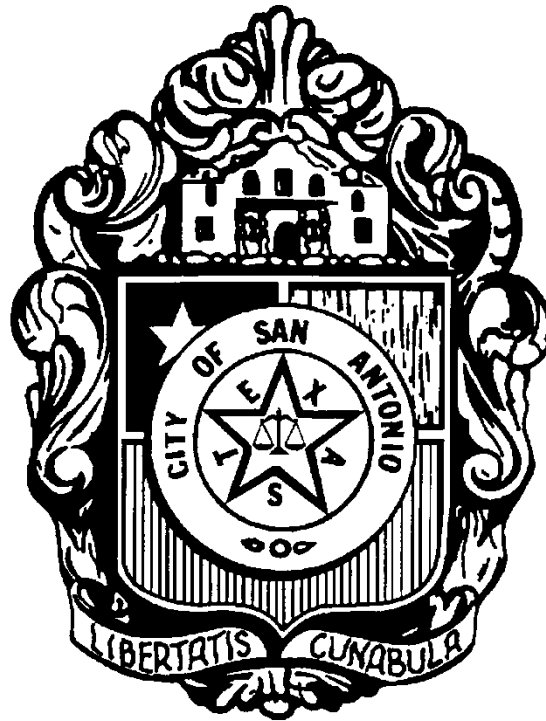


City of San Antonio Office of the City Auditor



Annual Audit Plan Fiscal Year 2012



CITY OF SAN ANTONIO

P. O. BOX 839966
SAN ANTONIO TEXAS 78283-3966

September 15, 2011

Mayor and City Council:

Enclosed is the proposed Fiscal Year (FY) 2012 Audit Plan of the Office of the City Auditor. The plan includes 17 performance, compliance and IT audits and 5 follow-up audits. Also, as in years past, the plan includes time allocated for potential City Council and Management requested projects.

In developing the plan, we sought input from the Mayor, City Council Members, the City Manager, Executive Leadership Team and several Department Directors. We added additional input based on local government audit industry trends. This effort resulted in an extensive list of potential areas for audit within the City. These potential areas were then prioritized based on a high-level risk assessment considering factors such as financial impact, compliance and prior issues.

I believe this plan provides adequate audit coverage across City departments and recognizes concerns of City Council and Management.

Fiscal Year 2011

This past year again saw several changes in the Office of the City Auditor leadership team. As the new acting City Auditor, I have emphasized increasing focus on project management and efficient execution of our audit plan. To this end, I am pleased to report that we have issued 16 reports through August 31, 2011, and we anticipate issuing a total of 21 reports by September 30 – the end of the fiscal year. This represents a 91% increase over the 11 reports issued last year. Additionally, the reports issued have addressed significant issues within the City's internal control environment of which City Management is addressing.

I am also pleased with the partnership that our office has continued to develop with City Management in the execution of our audit plan. This partnership is critical to both the success of our office and the improvement of City operations.

While we have experienced turnover within our Office, we continue to maintain an experienced and credentialed staff with 95% holding at least one audit related professional certification and 68% holding master's degrees. Our staff is also

contributing to the community through participation in various City sponsored events such as Blood Drives, City Manager's 5K Walk, Annual Rock and Roll Marathon and School Supply Drives. Additionally, our Office achieved 100% participation in the City's United Way Charitable Campaign.

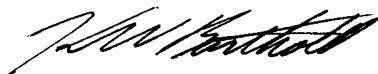
Performance Measures and FY2012 Goals

While we internally track multiple measures within the department, 4 high level measures are reported to City Council. These measures balance the performance within the department between effectiveness, efficiency, staff development and City Management relationships. The table below shows our FY 2011 goals and results through August 31, 2011 as well as our new FY 2012 goals.

Performance Measure	Description	FY2011 Goal	FY2011 Actual a/o 8/31	FY2012 Goal
Number of audit products completed	The number of audit reports published	13	16	20
Audit recommendations	The percentage of audit recommendations agreed to by management	95%	100%	95%
Percent of auditor direct time to available time	The percentage of available time devoted to audits	78%	78%	78%
Audit staff with certifications	The percentage of audit staff with at least one professional audit related certification (CPA, CIA, CFE, or CISA)	50%	95%	70%

I wish to thank the Mayor, City Council and City Management for their support of the Office of the City Auditor. I look forward to contributing to continued improvements within the Office of the City Auditor and the impact we will have on improving the effectiveness and efficiencies of providing City services.

Respectfully,



Kevin W. Barthold, CPA, CIA, CISA
Acting City Auditor

Contents of the FY2012 Audit Plan

The plan includes 17 proposed audits and 5 follow-up audits (Attachment A). Also included are 7 audits carried over from prior fiscal years (Attachment B). The level of resources estimated to complete these audits is also included.

With approval of the Audit Committee, this plan may be amended.

Item #	Project #	Department	Program or Risk Area	Objectives	Estimated Completion	Estimated Hours
1	AU12-001	Animal Care Services	Drug Inventory Management	Is Animal Care Services adequately managing its drug inventory?	February 2012	1,000
2	AU12-002	Animal Care Services	Revenues	Is Animal Care Services adequately accounting for the donations and revenues it receives?	June 2012	1,000
3	AU12-003	Aviation	Rental Car Fee Revenues	Are rental car companies remitting proper fee amounts to the City?	June 2012	1,500
4	AU12-004	Convention, Sports and Entertainment Facilities	Compliance; Revenue	Are catering companies complying with City contracts?	April 2012	1,500
5	AU12-005	Grants Monitoring and Administration	Federal Grant Management	Is monitoring of community development block grant (CDBG) funding appropriate and accurate?	July 2012	1,250
6	AU12-006	Health	Drug Inventory Management	Is the Health Department adequately managing its drug inventory?	September 2012	1,000
7	AU12-007	Health	Food Service Permit Fee Revenues	Are controls over food service license and permit fee collections adequate?	April 2012	1,500
8	AU12-008	Human Services	Haven for Hope Program Management	Are select Haven for Hope programs complying with contract terms to include balanced scorecard performance plans?	March 2012	1,500
9	AU12-009	ITSD	Access Controls	Are Windows Server access controls adequate?	December 2012	1,000
10	AU12-010	Municipal Courts	Cash Management; Revenue	Are controls over the Municipal Courts revenue process adequate?	June 2012	1,500
11	AU12-011	Municipal Courts	Reporting	Is Municipal Courts accurately reporting statistical data to local, state, and federal agencies?	July 2012	1,250
12	AU12-012	Public Works/Fleet	Fuel Inventory Controls	Have adequate controls been implemented in the fleet fuel inventory system?	July 2012	1,250
13	AU12-013	Purchasing (Citywide)	Sole Source Contracting; Compliance	Are controls in place to ensure that Sole Source contracts are appropriate?	December 2012	1,000
14	AU12-014	Purchasing/ITSD	Procurement; SAePS System	Are purchasing controls over the SAePS system adequate?	May 2012	1,250
15	AU12-015	SAFD	Drug Inventory Management	Is the SAFD adequately managing its drug inventory?	October 2012	1,000
16	AU12-016	SAFD	SAFD Fleet Management	Is the SAFD efficiently and effectively managing its fleet?	October 2012	1,500
17	AU12-017	SAPD	Ground Transportation: Inspection and Permit Revenue	Is the SAPD adequately managing its permit fee and inspection program?	November 2012	1,250
18	AU12-018F01	Homeland Security Reimbursements	Follow-up Audit (1)	Are prior audit recommendations successfully implemented and working as intended?	August 2012	350
19	AU12-018F02	Riverwalk Leases	Follow-up Audit (2)	Are prior audit recommendations successfully implemented and working as intended?	July 2012	350

Attachment A

FY 2012 Audit Plan

20	AU12-018F03	Cash Handling/Vital Statistics	Follow-up Audit (3)	Are prior audit recommendations successfully implemented and working as intended?	September 2012	350
21	AU12-018F04	Advanced Transportation District	Follow-up Audit (4)	Are prior audit recommendations successfully implemented and working as intended?	August 2012	350
22	AU12-018F05	Alarm Permit & Service Fees	Follow-up Audit (5)	Are prior audit recommendations successfully implemented and working as intended?	September 2012	350
	TBD	Citywide	Council/City Manager Special Projects	Provide time for consulting and special projects.	TBD	1,000
Total Hours - New Projects						24,000

FY 2012 Audit Plan - Prior Year Carryover Audits

Project #	Department/Risk Area	Audit Objectives	Start Date	Project Status as of September 2011	Estimated Carry-Over Hours into FY 2012	Projected Completion
AU09-005	Finance/Revenue from Cable Providers - TWC	Are cable franchise and public, education, and government (PEG) fees properly remitted for all customers inside San Antonio city limits?	February 2009	Fieldwork	2,000	January 2012
AU09-005B	Finance/Revenue from Cable Providers - AT&T	Are cable franchise and public, education, and government (PEG) fees properly remitted for all customers inside San Antonio city limits?	December 2010	Planning	2,000	February 2012
AU11-004	Grants/Compliance	Are selected state and federal program grants for citizen programs applied and used appropriately?	July 2011	Fieldwork	600	November 2011
AU11-006	Capital Improvements Management Services	Are there adequate controls over CPS and SAWS reimbursement processes for COSA capital projects?	August 2011	Fieldwork	250	December 2011
AU11-009	Parks and Recreation/Assets	Are maintenance and improvement programs at City Parks consistent with the Parks and Recreation Strategic Plan and policies?	April 2011	Reporting	50	October 2011
AU11-010	Grants/Compliance	Are appropriate controls in place to monitor and report on the ARRA initiative?	August 2011	Fieldwork	600	December 2011
AU11-011	ITSD/IT Segregation of Duties	Are incompatible IT duties appropriately segregated?	November 2011	Not yet started	500	May 2012
				Total Hours	6,000	